



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES

JUL 12 2004

Honorable Frederick P. Cerise
Secretary
Department of Health and Hospitals
P.O. Box 629
Baton Rouge, Louisiana 70821-0629

Dear Secretary Cerise:

We have determined that the State's application for Federal Fiscal Year (FFY) 2004 funds, under Part C of the Individuals with Disabilities Education Act (Part C), can be approved with special conditions, under the regulations governing "high risk" grantees in 34 CFR §80.12. Therefore, I am enclosing Louisiana's Part C grant award, and an attachment detailing the special conditions and the reasons for considering the Louisiana Department of Health and Hospitals (DHH) a high-risk grantee. The effective date of DHH's grant is July 1, 2004.

The approval is based upon our review and acceptance of the amendments to DHH's existing application under Part C, specifically the final, signed, revised interagency agreement between DHH and the Louisiana Department of Education (LDOE) to ensure coordination of transition matters as required by 34 CFR §303.148(c), and the receipt of required assurances for FFY 2004. This includes the assurance from DHH that the State-wide system of early intervention services required by Part C and its implementing regulations is in effect.

Under the authority of the Education Department General Administrative Regulations (EDGAR), 34 CFR §80.12, the Department has determined that DHH is a "high risk" grantee for purposes of Part C of IDEA for FFY 2004. OSEP is releasing Louisiana's FFY 2004 IDEA Part C grant award subject to FFY 2004 Special Conditions, as set forth in Enclosure B. The Special Conditions are imposed to ensure that the funds are expended for the timely identification and evaluation of, and provision of early intervention services to, infants and toddlers with disabilities and their families in Louisiana.

DHH must administer this award both in keeping with applicable Federal laws and regulations and the Special Conditions attached to the award. Louisiana's acceptance of its award constitutes an agreement to meet the Special Conditions.

This year, a number of States have either established systems of payments or are considering establishing or revising their systems of payments. Under 34 CFR §303.173(a), each State's Part C application must include the State's policies and procedures that identify: (1) how it will pay for early intervention services (under 34 CFR §303.520(a)); (2) any system of payments that the State chooses to establish (under 34 CFR §303.521(a)); and (3) all funding sources (under 34 CFR §303.522). Although a State is not required under Part C to access public and private insurance available to a family, if a State requires parents under Part C to access their public and/or private insurance, the State must include this information in its Part C application as well as an assurance, under 34 CFR §303.520(b)(3)(ii), that the inability of a parent to pay will not result in the denial of any service under Part C.

States must ensure that all of the functions and early intervention services under 34 CFR §303.521(b) are carried out at public expense (i.e., no cost to the family). Additionally, under 34 CFR §303.521(c), States that provide children with disabilities under age 3 with a free appropriate public education (FAPE) under State law (i.e., birth-mandate States) must ensure that no fees are charged for the FAPE services provided to these children and their families. If a State has a system of payments under 34 CFR §303.521(a), any parent fees collected (for co-payments or other fees for services charged and received by the State's Part C program) are "program income" under 34 CFR §80.25. Program income is not included as part of total "State and local expenditures" for purposes of a State's meeting the non-supplanting requirements under Part C at 20 U.S.C. §1437(b)(5)(B) and 34 CFR §303.124.

Section I.C. of the FFY 2004 application for Part C funds requested updated information about each State's restricted indirect cost rate. Our records indicate that your agency has a cost allocation plan that has been approved by your cognizant agency and that has been in effect since March 1999 and is ongoing. You submitted a modification to this cost allocation plan to the Department of Education in April 2004 which modification was approved as meeting the restricted indirect cost requirements of Part C and the Education Department General Administration Regulations at 34 CFR §§76.563 through 76.569. Part III of your State's Part C Application indicates that your agency will continue to apply the April 2004 revision to its approved cost allocation plan throughout the FFY 2004 grant year.

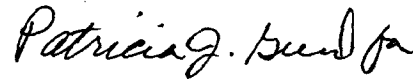
In addition to the Special Conditions, the enclosed grant award for FFY 2004 is made with the continued understanding that this office may, from time to time, require clarification of information within your application and appendices, if necessary. These inquiries are needed to allow us to appropriately carry out our administrative responsibilities related to IDEA.

I am encouraged by the commitment of your office to address the problems and challenges that you face. My staff is ready to provide helpful technical assistance should you request it. We are looking forward to working with you on these matters to ensure the success of the program and

Page 3 – Honorable Frederick P. Cerise

appreciate your ongoing commitment to the provision of quality early intervention services to infants and toddlers with disabilities and their families.

Sincerely,

A handwritten signature in cursive script, appearing to read "Stephanie Smith Lee".

Stephanie Smith Lee

Director

Office of Special Education Programs

Enclosures

cc: Nicole Dupree
Part C Coordinator